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**JEFFREY M. NELSON**  
Chief Legal Officer

August 17, 2020

**VIA ELECTRONIC FILING**

Jocelyn G. Boyd, Esquire  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

RE: Dominion Energy South Carolina, Incorporated Request to Continue and Extend  
Prior Approved Nuclear Outage Accrual Mechanism to V.C. Summer Nuclear  
Station Refueling Outage No. 26  
**Docket No. 2020-172-E**

Dear Ms. Boyd:

By this letter, the South Carolina Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed the filing submitted by Dominion Energy South Carolina, Incorporated ("DESC" or "Company") for a Request to Continue and Extend Prior Approved Nuclear Outage Accrual Mechanism to V.C. Summer Nuclear Station Refueling Outage No. 26 ("Application").

**Overview and Background Information of Company's Request**

The Company's Application requests that the Commission issue an order authorizing DESC to continue and extend its Nuclear Outage Accrual Mechanism ("Accrual Mechanism") for Refueling Outage No. 26. The current Accrual Mechanism expense was set in DESC's last rate proceeding, Docket No. 2012-218-E, and established by Order No. 2012-951. At present, the Accrual Mechanism will be deemed to have expired on June 30, 2020, pursuant to the accrual time period authorized by Order No. 2012-951.

The Company notes in its Application that nuclear refueling outages occur every 18 months, not annually. As such, the Company states that for that reason, their costs are concentrated in some years and much lower in others. Further, the Company identifies that the expense of individual outages varies according to the maintenance work to be done and the equipment to be replaced or refurbished in them. In Docket No. 2012-218-E, DESC presented the forecasted costs

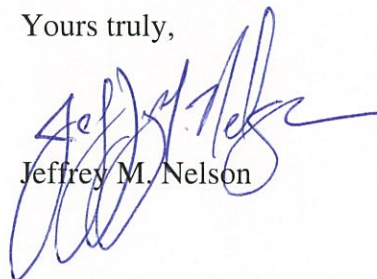
for V.C. Summer Nuclear Station Refueling Outages Nos. 21-25 which were the outages planned during the 90 months following that proceeding. Per Order No. 2012-951, the Commission established a levelized charge to be recorded to the Accrual Mechanism Account. Order No. 2012-951 provided for the Company to charge the actual costs of Refueling Outages Nos. 21-25 to this account. The order further provided that any over-collected or under-collected balance in the account would be carried forward with carrying costs from one outage to another.

Rates approved by Order No. 2012-951 took effect on January 1, 2013. Since that time, DESC states in its Application that it has accrued \$128.9 million under the approved accrual and its actual costs were \$132.1 million with a current under-collected balance in the Accrual Mechanism Account of \$3.2 million. DESC states that in its forthcoming electric base rate proceeding Docket No. 2020-125-E, the Company will ask the Commission to extend the Accrual Mechanism through Refueling Outage No. 30. The Company further states that it will provide information about its planned expenses for Refueling Outages Nos. 26-30 and will ask the Commission to reset the monthly accrual to reflect that amount as well as the \$3.2 million under-collection carried from the existing accrual.

### **ORS Recommendation**

ORS has reviewed the Company's Application as well as information from Docket No. 2012-218-E, Commission Order No. 2012-951, and a prior filing by the Company regarding a request to continue an accrual mechanism (Docket No. 2017-210-E). The Company's request in this docket will not involve a change to any of DESC's retail rates or prices, or require any change in any Commission rule, regulation, or policy. Further, the request will not limit the scope of the Commission review of nuclear refueling outage expenses or the Accrual Mechanism in Docket No. 2020-125-E. Based on its review and the above information, ORS does not object to the Company's request to Continue and Extend Prior Approved Nuclear Outage Accrual Mechanism to V.C. Summer Nuclear Station Refueling Outage No. 26. ORS's position is predicated on the basis that the issuance of an extension of the Accrual Mechanism will not preclude the ORS, the Commission, or any other party, from addressing the reasonableness of the under-collected costs in the forthcoming electric base rate proceeding.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Jeffrey M. Nelson', is written over the typed name.

Jeffrey M. Nelson

cc: All Parties of Record (via E-mail)  
David Butler, Esquire (via E-mail)